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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

May 3, 1994

Mr. Jonathan Levy  
Federal Communications Commission  
Office of Plans & Policy  
1919 M Street, N.W.  
Washington, D.C. 20554

PP Doc. 93-21

Dear Jon:

Pursuant to your request, enclosed please find copies of newspaper articles concerning the Denver Nugget's pay-per-view situation. I hope they will be helpful.

You have also asked for information regarding Wednesday baseball games. Enclosed please find a schedule for 1994 that appeared in the The Complete Handbook of Baseball for 1994. The schedule for the American and National Leagues appears at pages 454-461. According to our calculations, the 1994 season will contain 94 day games and 252 night games played on Wednesdays throughout the season. Thus over two-thirds of the games scheduled to be played on Wednesdays are subject to the ESPN off-air television exclusivity blackout.

To the extent Major League Baseball (MLB) inferred that in 1989 only one-third of the games played on Wednesdays were night games, this is no longer the case. The situation appears to have reversed itself. In 1994 only 27 percent of the games played on Wednesday will be day games, the remainder will be played at night.

Also, MLB's statement leaves the impression that games were available on Wednesday night, but local stations did not want to broadcast the games. This impression is incorrect.

MLB indicates that on average only one-third of the flagship stations broadcasted Wednesday night baseball games in 1989. This is a significant number. To begin with, one would expect that one-half of the flagship stations would not be broadcasting because they would be broadcasting a "home" game. (MLB states that most teams like to protect the live gate.) In other words, of the 26 teams in 1989, 13 visiting teams could be expected to be seen on their flagship stations on any given Wednesday night. Using MLB's analysis, one-third of all flagships, (9 visiting team flagship stations) covering 9 games, were broadcasting on Wednesday nights in 1989. This means that the vast majority of flagships (9 out of 13) that could be broadcasting on Wednesday nights were providing coverage. The remaining four flagships that did not broadcast on

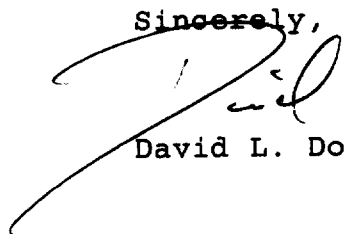
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any given Wednesday may have broadcast a "day" game or the team may have been traveling.

The point is that over the course of the season, all America had access to their favorite local team on Wednesday nights. This is no longer the case.

Sincerely,

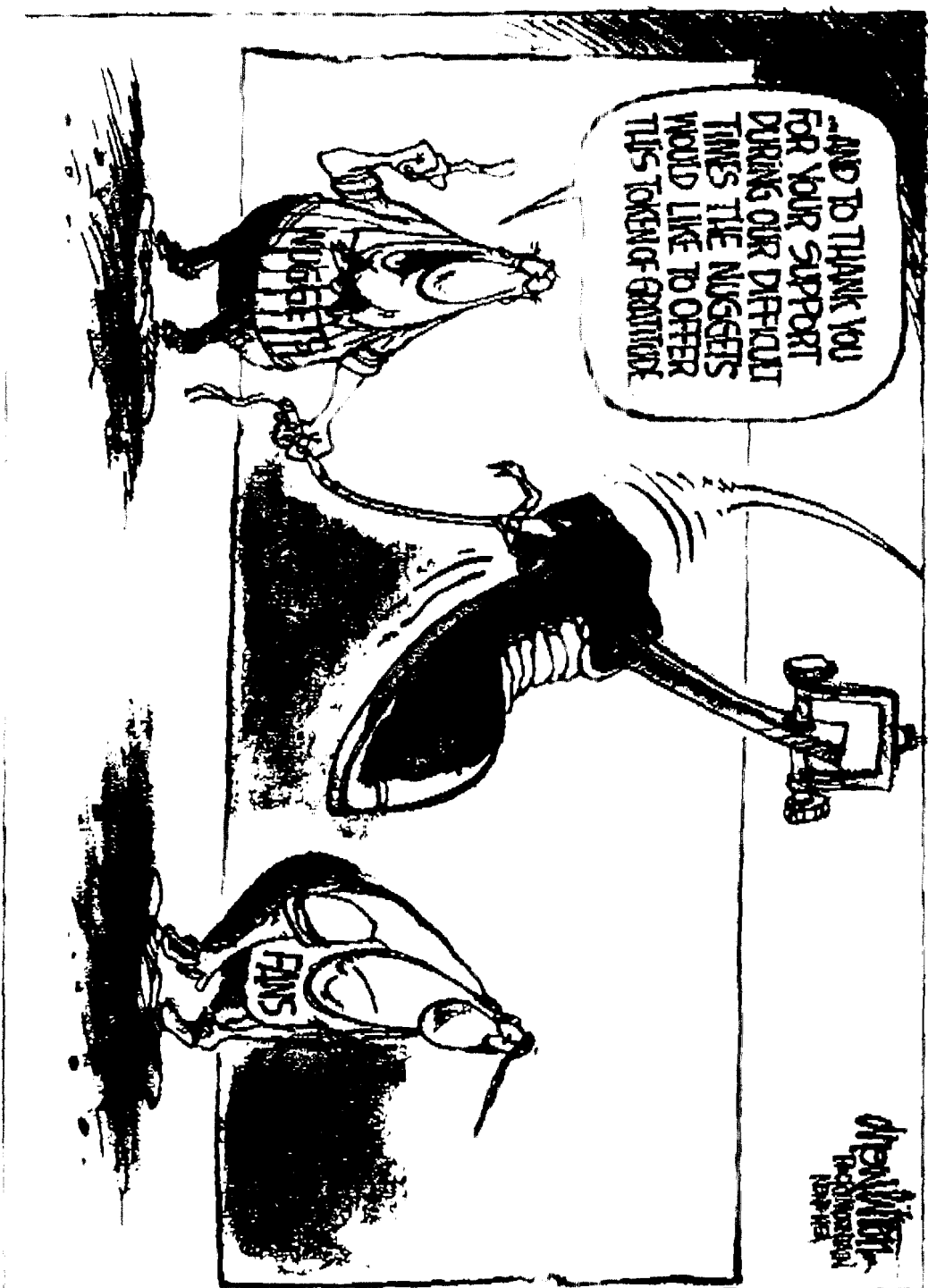


David L. Donovan

enc.

# PERSPECTIVE

WIN, LOSE & DREW



Rocky Mtn News 4/19/94

# Nuggets home playoff games on pay-per-view

By Dusty Saunders

Rocky Mountain News Broadcasting Critic

The Denver Nuggets will jump into the potentially lucrative pay-per-view business during their first-round home NBA playoff series against the Seattle SuperSonics.

Under an agreement with Prime Sports Network, the Nuggets' regular cable outlet, Game 3 against the SuperSonics and Game 4, if necessary, will be aired on a pay-per-view channel away from PSN's regular channel designation. The first two games will be played at Seattle and won't be pay-per-view.

If Denver should beat Seattle and advance in the NBA playoffs, there would be more pay-per-view home games, Nuggets

president Tim Leiweke said.

The cost of each game will range from \$13-\$16, depending on the charge made by individual cable systems. Bars and restaurants will pay a higher flat fee through a contract with a satellite company aligned with PSN.

PSN will televise the Nuggets' home games on its basic cable channel outside the 35-mile blackout radius, meaning fans in Colorado Springs and Fort Collins can see the games on PSN without pay-per-view.

KWGN-Channel 2 is scheduled to carry all Nuggets road games during the playoffs.

Leiweke and PSN general manager Bob

See NUGGETS on 5B

## Nuggets tickets

### 1993-94 PLAYOFFS

■ **When:** Tickets go on sale for the Nuggets' first-round home playoff games. (Playoffs begin April 28. Dates and times to be announced Monday.)

■ **Where:** 10 a.m. Saturday.

■ **Where:** McNichols Sports Arena box office, Nuggets Sports Gallery at Cherry Creek Mall, Nuggets Locker Room on 16th Street Mall and all TicketMaster outlets (290-8497).

■ **Cost:** \$22.50 (\$20 seats in regular season), \$19 (\$16.50), \$13 (\$12.50), \$11 (\$8.50).

### 1994-95 SEASON

■ **Season:** Ticket prices will not be increased next year, the Nuggets announced Monday.

■ **Cost:** \$115, \$85, \$35, \$20, \$25, \$20, \$18.50, \$12.50, \$8.50.

## 5 other West teams have pay-per-view

### NUGGETS from 1B

Thompson said the pay-per-view decision was made for economic reasons and scheduling commitments. PSN won't know the exact date and time of the Nuggets' home games until Monday. The playoffs begin April 28.

"NBA rights fees for home playoff games have jumped 50% over our regular-season games, and our advertisers are reluctant to pick up those extra costs," Thompson said.

Leiweke said advertising budgets are locked in and current advertising revenue alone will not cover the cost of broadcasting the home games. But Leiweke said this playoff schedule does not mean a pay-per-view schedule for regular-season games is on the horizon.

"That will never, never happen while I'm here," Leiweke said. "I know a lot of fans aren't excited about pay-per-view, but we're be-

ing as up front as we can. It's better to do this now, than say, a couple of years down the road when we might be challenging for the championship."

Under the agreement, all revenue from this pay-per-view venture will go to the Denver Nuggets Community Fund for youth charities. Also, fans buying a pay-per-view game can apply the charge to tickets for next season.

"I don't think this is a money-making venture for us now," Leiweke said.

PSN spokesman Craig Kuhl estimates that if 2% of Denver-area cable households subscribe, a profit could be made.

Denver is the sixth NBA franchise in the Western Conference playoffs to be involved in some sort of pay-per-view system.

Seattle and Houston have pay-per-view during home playoff games, and Portland, San Antonio and Phoenix have a mix of key home games in the regular season and playoffs.

Rockie  
MT News  
4/19/94

# Fans picking up the tab for Nuggets' mild success

The Denver Nuggets have dropped to the level of Kink Club for Men, Ron Popeil and the Home Shopping Network. All want to reach through the TV and take your money.

The Nuggets are going to the NBA postseason for the first time in four years. They're celebrating by putting their home games on pay-per-view television. The news is enough to make your champagne go flat.

"We know this is controversial. We know pay-per-view has been a very dirty word in sports," Nuggets president Tim Leiweke said yesterday.

Changing TV viewers \$14.95 to see the Nuggets in the playoffs is more than overpriced programming.

It's wrong. It's rude. And it's dumb. At a time when the Nuggets should be paying loyal customers on the back, the team fishes in the wallet pocket of its fans.

The Nuggets figure to bring playoff basketball to Denver for one night, maybe two, but the games on free TV and everybody in town is invited to party. But, noooo...



Three years ago, this franchise was considering a move to Toronto, sunny California or any place far, far away from zip code 80204. The people of Denver, however, stood by their Nuggets when the team was the worst joke in pro basketball.

The Nuggets should've used these playoff games to say thank you. Instead, they decided to ask for your credit-card number.

Denver plays 500 basketball for one season and thinks it's big time. But the Nuggets have as much business on pay-per-view TV as Wheelamania EX.

Of course, the Nuggets are going only their closest friends, the people who live within 25 miles of Mitchell's Sports Arena. Playoff games from Denver telecast by subscription TBS will be available in Colorado Springs or Fort Collins. Sounds like a good road trip with your pals. Apply the \$14.95 to filling the tank.

Leiweke is a sports entrepreneur for the 1980s. Everything from a new team logo to

Please see KROZLA on 3D

## Pay-per-view a report of loyal Nuggets fans

KROZLA from Page 1D

from yogurt at the concession stands is a potential revenue stream tapped into your money supply.

But Leiweke does have a conscience. Listen to him talk, and it's clear that wringing every penny from playoff games angers him. He helped Denver fall in love again with the Nuggets and doesn't want to damage the relationship.

His heart is in the right place. Leiweke should've listened to it.

Instead, the Nuggets rationalized a decision certain to offend customers.

How to justify \$14.95 for a playoff game on TV?

The reasons are as numerous as they are weak.

■ Denver is immune to playoff fever. Leiweke claims all those Doug Moe teams bumbled at the box office during the postseason's opening round. The Nuggets believe free TV would hurt them at the gate.

Maybe the franchise still doesn't believe in its fans. There are the same folks who filled the house arena 25 times this year to watch mediocre NBA basketball.

What's more, the Nuggets telecast 11 regular-season games from Mitchell's, eight were sellouts. If Leiweke can't get 17,171 people in the seats for playoff games against Seattle and its league-best record, he isn't much of a marketer.

■ Try to think of the Nuggets on TV as a Jerry Lewis telethon. Leiweke wants to donate all pay-per-view revenue from first-round games to charity.

The Nuggets do give money and time to many worthy causes. Using sick kids and youth violence as an excuse for jettisoning into the pay-per-view business isn't charity. It's crime.

■ Other NBA teams expect four slots to the soda. "We're not helping people," Leiweke said, citing Portland and Phoenix as franchises already plugged in to pay-per-view revenue.

But there's a basic difference between those teams and Denver. The Blazers and Suns play to SMO crowds every night; viewer demand exceeds the supply of seats. The Nuggets, however, still need to lure customers. Showing them a little greediness could've been a valuable sales tool.

■ The Nuggets are a poor, little franchise just trying to pay the bills.

Then why did the franchise turn a healthy profit in 1983-84 season?

If Leiweke's Nuggets grow up to be big winners, making money won't be any problem in the future. Denver should've waited until it was good before charging \$14.95 for a postseason game on the tube. The Nuggets are throwing a playoff party. You're picking up the tab.

Don Post  
4/19/84

# TV nugget: Playoff pay-per-view

By Mike Monroe  
Denver Post Sports Writer

The Denver Nuggets have elected to televise their first home playoff games in four years only on pay-per-view, at \$14.95 a game.

While that bit of news may not please the club's playoff-starved fans, season-ticket holders will be relieved to know the Nuggets won't raise the price of 1994-95 season tickets.

Prime Sports Network will carry the pay-

■ **WHAT NEXT?** Goals remain for Nuggets. **3B**

per-view games within the 35-mile TV blackout radius

of McNichols Sports Arena.

The Nuggets will make their first playoff appearance since 1990 against either the Seattle SuperSonics or the Houston Rockets, with Game 1 scheduled for April 28 or 29, either in Seattle or Houston.

The Nuggets' first home playoff game would be either May 2, 3 or 4 at McNichols.

The team's games in Seattle or Houston will be televised by KWGN, Channel 2. In the past, the Nuggets' first-round home playoff games haven't been televised. Nuggets president Tim Leiweke said the decision to put this year's games on pay-per-view had two purposes: to create an additional source of revenue, and to protect those who purchase tickets for the

Please see TV on 3D

## TONIGHT'S GAME



■ Opponent: L.A. Lakers  
■ Where: McNichols Sports Arena  
■ When: 7 o'clock  
■ TV/Radio: PSN; KTLK 760 AM  
■ Line: Nuggets by 7 1/2

Denver Post -- 4/19/94

## It'll be pay-per-view for home playoffs

TV from Page 1D

games.

"We are putting the away games on over-the-air TV," Leiweke said. "We never intended to do the same with the home games. Prime came to us to talk about the possibility of carrying the (home) games on a pay-per-view basis, and doing so gives fans who do not have a ticket an opportunity to view the game, while respecting our ticket holders and keeping a value on exclusivity and coming to the games in person.

"To the best of my knowledge," Leiweke said, "we've never sold out a first-round playoff game in the (NBA) history of the franchise, and we don't think it would be fair to those people who do pay their money to come to the games to then turn around and make the games available on free TV."

Leiweke said the club's net revenue from this year's pay-per-view broadcasts would go to the team's community-funded charity programs, but the ultimate benefit of pay-per-view broadcasts will be to provide another revenue source.

"This is the way we're going to do things in the future," Leiweke said. "This is not a money-making venture for us right now, but what we are doing is setting the precedent that we place a premium value on our home playoff games. We have to find additional revenue sources, long-term."

Those who subscribe for the pay broadcasts can apply the per-game cost to the price of season tickets for the 1994-95 season, or for 14-game fan plan packages for next season.

Some 576,000 homes are wired for cable with in the 35-mile blackout radius that will be served by Prime's pay-per-view broadcasts. Those homes wired by cable operators TCI, Jones Interactable and Scripps-Howard already have pay-per-view addressable converters. Those homes that don't can get converters through their cable operators.

Leiweke said the club decided to freeze the price of season tickets "to send a strong message to the fans that we appreciate their support . . . to hold the prices of our tickets is the best way we know to express our appreciation."

The Nuggets last season raised season-ticket prices at all price levels, their first price increase in five years, and the average price of a Nuggets ticket, \$30.97, is among the lowest in the NBA. The average price of a ticket in all NBA cities for the 1993-94 season was \$35.16.

**1994 MAJOR LEAGUE BASEBALL  
WEDNESDAY -- DAY GAMES**

**AMERICAN LEAGUE**

<b>GAME</b>	<b>DATE</b>
Seattle at Oakland	May 25
Seattle at Texas	June 15
Seattle at Minnesota	June 1
Oakland at California	July 27
California at Oakland	June 29
California at Chicago	Sept. 21
Texas at Chicago	June 22
Kansas City at Minnesota	Sept. 28
Minnesota at Seattle	April 13
Minnesota at Oakland	Sept. 7
Minnesota at California	June 8
Chicago at Oakland	August 10
Detroit at Oakland	Sept. 28
Detroit at Minnesota	August 24
Detroit at Chicago	July 20
Toronto at Seattle	August 24
Toronto at Chicago	June 8
Baltimore at Seattle	July 20
Baltimore at Minnesota	August 3
Oakland at Detroit	May 12
Oakland at Toronto	June 1
Texas at Milwaukee	June 1

**1994 MAJOR LEAGUE BASEBALL  
WEDNESDAY -- DAY GAMES**

**AMERICAN LEAGUE**

**GAME**

**DATE**

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Texas at Detroit	May 4
Texas at New York	April 6
Kansas City at Milwaukee	July 20
Kansas City at Detroit	April 20
Minnesota at Milwaukee	May 4
Minnesota at New York	June 22
Chicago at Baltimore	August 24
Cleveland at Detroit	June 22
Cleveland at Toronto	August 10
Cleveland at New York	May 12
Detroit at Boston	April 6
Toronto at Boston	August 3
Baltimore at Milwaukee	May 25
Baltimore at Detroit	April 13
New York at Milwaukee	August 3
Boston at Milwaukee	Sept. 28
Boston at Detroit	June 8



**MAJOR LEAGUE BASEBALL  
WEDNESDAY -- DAY GAMES**

**NATIONAL LEAGUE**

<b>GAME</b>	<b>DATE</b>
Atlanta at Chicago	August 24
Cincinnati at Chicago	May 4
Colorado at Chicago	July 6
Florida at Chicago	August 3
Houston at Chicago	April 20
Los Angeles at Chicago	Sept. 14
Montreal at Chicago	Sept. 7
New York at Chicago	April 6
Philadelphia at Chicago	June 1
Pittsburgh at Chicago	June 29
St. Louis at Chicago	Sept. 28
San Diego at Chicago	May 18
San Francisco at Chicago	August 10
Montreal at Atlanta	July 27
Philadelphia at Atlanta	May 11
San Diego at Atlanta	June 8
Colorado at Cincinnati	Sept. 14
Houston at Cincinnati	July 27
St. Louis at Cincinnati	April 6
Chicago at Colorado	July 20
Florida at Colorado	April 20
Houston at Colorado	June 22

**1994 MAJOR LEAGUE BASEBALL  
WEDNESDAY -- DAY GAMES**

**NATIONAL LEAGUE**

<b>GAMES</b>	<b>DATE</b>
Montreal at Colorado	August 24
New York at Colorado	June 8
Pittsburgh at Colorado	Sept. 7
San Diego at Colorado	June 29
San Francisco at Colorado	Sept. 28
Cincinnati at Houston	June 29
St. Louis at Houston	July 20
Atlanta at Montreal	June 29
Los Angeles at Montreal	May 4
Chicago at New York	April 13
Los Angeles at New York	July 20
Montreal at New York	Sept. 14
St. Louis at New York	June 29
San Francisco at New York	May 4
Florida at Philadelphia	June 29
Montreal at Philadelphia	May 18
San Francisco at Philadelphia	July 20
Colorado at Pittsburgh	August 31
Cincinnati at St. Louis	June 8
Florida at St. Louis	June 15
Montreal at St. Louis	June 22
Los Angeles at San Diego	June 22

**1994 MAJOR LEAGUE BASEBALL  
WEDNESDAY -- DAY GAMES**

**NATIONAL LEAGUE**

<b>GAME</b>	<b>DATE</b>
Philadelphia at San Diego	July 6
Pittsburgh at San Diego	June 1
Chicago at San Francisco	Sept. 21
Cincinnati at San Francisco	August 3
Colorado at San Francisco	May 11
Florida at San Francisco	August 17
Houston at San Francisco	June 15
Philadelphia at San Francisco	April 20
Pittsburgh at San Francisco	April 6
St. Louis at San Francisco	August 31
San Diego at San Francisco	Sept. 14

**\*Source: *The Complete Handbook of Baseball 1994*, pp. 454-461.**